					DEPARTMENT	TATE OF UTAH TOF NATURAL RESO DF OIL, GAS AND M			AMENDE	FOR D REPOR			
			APPLICATION	ON FOR	PERMIT TO DRILL			1. WELL NAME a	nd NUMBER Gardner 36	-7A-3-2			
2. TYPE O	F WORK							3. FIELD OR WILDCAT					
4. TYPE O	F WELL	DRILL NEW WE	LL W REE	ENTER P&/	A WELL J DEEPEN	WELL ()		UNDESIGNATED  5. UNIT or COMMUNITIZATION AGREEMENT NAME					
6 NAME (	F OPERATOR	1	Oil Well	Coalbe	d Methane Well: NO			7. OPERATOR P	HONE				
			FINL	EY RESOL	JRCES INC			817 231-8735					
8. ADDRE	SS OF OPERAT	TOR	PO Box 2	200, Fort \	Worth, TX, 76113				vilkerson@finleyi	esources	com		
	10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) Patented  11. MINERAL OWNERSHIP FEDERAL INDIAN STATE FEE								INDIAN	STATE	) FE	E (11)	
13. NAME	l'atonico e e								WNER PHONE (i 435-353-		· 'fee')		
15. ADDR	ESS OF SURF	ACE OWNER (if b	ox 12 = 'fee')					16. SURFACE O			= 'fee')		
			1863 E. Hv	vy 40, Rod	osevelt, UT 84066  18. INTEND TO COMM	IINGI E PRODUCTION	N FROM	19. SLANT					
	= 'INDIAN')	OR TRIBE NAME			MULTIPLE FORMATIO			VERTICAL (	DIRECTIONAL	( ) но	ORIZONT.	AL 💮	
20. LOC	TION OF WEL	L		FO	OTAGES	QTR-QTR	SECTION	TOWNSHIE	RAN	IGE	ME	RIDIAN	
LOCATIO	N AT SURFAC	E		2701 F	SL 461 FEL	SWNE	36	3.0 S	2.0	E		U	
Top of U	ppermost Pro	ducing Zone		2701 F	SL 461 FEL	SWNE	36	3.0 S	2.0	E		U	
At Total	Depth			2701 F	SL 461 FEL	SWNE	36	3.0 S		E		U	
21. COUN	TY	UINTAH			22. DISTANCE TO NEA	REST LEASE LINE (F	eet)	23. NUMBER OF	ACRES IN DRILI	ING UNIT			
					25. DISTANCE TO NEA (Applied For Drilling		POOL	26. PROPOSED		VD: 8500			
27. ELEV	ATION - GROU	ND LEVEL 4926		1	28. BOND NUMBER	RLB0011264		29. SOURCE OF WATER RIGHTS		BER IF AF	PLICABL	.E	
					Hole, Casing	, and Cement Info	ormation	l					
String	Hole Size	Casing Size	Length	Weigh	t Grade & Thread	Max Mud Wt.		Cement		Sacks	Yield	Weight	
COND	17.5	13.375	0 - 60	48.0	H-40 ST&C	0.0		Class G		41	1.17	15.8	
SURF	12.25	8.625	0 - 1000	24.0	J-55 ST&C	8.6		Class G		502	1.15	15.8	
								Class G		335	1.17	15.8	
PROD	7.875	5.5	0 - 8500	17.0	N-80 LT&C	9.2	Halliburton	Premium , Typ	e Unknown	245	3.1	11.0	
							Halliburton	Premium , Typ	e Unknown	1007	2.1	13.0	
					А	TTACHMENTS							
	VE	RIFY THE FOLL	OWING ARI	E ATTAC	HED IN ACCORDAN	ICE WITH THE UTA	AH OIL AND GAS	CONSERVATION	ON GENERAL	RULES			
<b>₩</b> w	ELL PLAT OR I	MAP PREPARED E	Y LICENSED S	SURVEYO	R OR ENGINEER	<b>№</b> com	IPLETE DRILLING P	LAN					
<b>I</b> ✓ AF	FIDAVIT OF ST	ATUS OF SURFA	CE OWNER AG	REEMEN	Γ (IF FEE SURFACE)	FORM	/ 5. IF OPERATOR I	S OTHER THAN T	HE LEASE OWN	ER			
DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY DRILLED)  TOPOGR							OGRAPHICAL MAP						
NAME D	on Hamilton			TITLE P	ermitting Agent (Star Po	oint Enterprises, Inc.)			PHONE 435 65	0-3866			
SIGNATU	RE			DATE 0	8/28/2014				EMAIL starpoin	t@etv.net			
	BER ASSIGNEI )4754713			APPRO	/AL		Boll	zgill					
Permit M								Manager					

## Finley Resources, Inc. Gardner 36-7A-3-2 Lot 2, Sec 36, T3S, R2E, U.S.B.&M. Uintah County, UT

#### **Drilling Program**

#### 1. Formation Tops

Uintah Surface
Green River 2,925'
Black Shale 6,678'
Wasatch 7,269'

TD 8,500'

#### 2. Depth to Oil, Gas, Water, or Minerals

Black Shale 6,678' - 7,269' (Oil) Wasatch 7,269' - TD (Oil)

Fresh water may be encountered in the Duchesne Formation, but is not expected below about 300'.

#### 3. Pressure Control

Section BOP Description

Surface 12-1/4" diverter

Interm/Prod The BOP and related equipment shall meet the minimum requirements of

Onshore Oil and Gas Order No. 2 for equipment and testing requirements,

procedures, etc for a 3M system.

A 3M BOP system will consist of 2 ram preventers (double or two singles) and an annular preventer (see attached diagram). A choke manifold rated to at least 3,000 psi will be used.

#### 4. Casing

Description	Interval (MD)		Weight	Grade	Coup	Pore Press @	MW @	Frac Grad @	Safety Factors		
Description	Тор	Bottom	(ppf)	Grade	Coup	Shoe	Shoe	Shoe	Burst	Collapse	Tension
Conductor	0'	60'	48	H-40	STC				1,730	770	322,000
13 3/8											
Surface	0'	0' 1,000'	24	J-55	STC	8.33	8.6	11	2,950	1,370	244,000
8 5/8	0					8.33	8.0		5.80	4.12	10.17
Production	0'	0.5001	17	N-80	LTC	9	9.2	11	7,740	6,280	348,000
5 1/2	U	8,500'			LIC				2.47	1.95	2.41

#### Assumptions:

Surface casing MASP = (frac gradient + 1.0 ppg) - (gas gradient)

Intermediate casing MASP = (reservoir pressure) - (gas gradient)

Production casing MASP = (reservoir pressure) - (gas gradient)

All collapse calculations assume fully evacuated casing with a gas gradient

All tension calculations assume air weight of casing

Gas gradient = 0.1 psi/ft

All casing shall be new.

All casing strings shall have a minimum of 1 centralizer on each of the bottom 3 joints.

#### 5. Cement

Job	Hole Size	Fill	Slurry Description	ft <sup>3</sup>	ОН	Weight	Yield	
300	Hole Size	rm	Sturry Description	sacks	excess	(ppg)	(ft <sup>3</sup> /sk)	
Conductor	17 1/2	60'	Class G w/ 2% KCl + 0.25 lbs/sk Cello	48	15%	15.8	1.17	
Conductor	17 1/2		Flake	41	1370	15.0	1.17	
Surface	12 1/4	700'	Class G w/ 2% KCl + 0.25 lbs/sk	578	100%	15.8	1.15	
Lead	12 1/4	700	Flocele	502	100%	13.0	1.13	
Surface	12 1/4	300'	Class G w/ 2% KCl + 0.25 lbs/sk Cello	392	100%	15.8	1.17	
Tail	12 1/4	300	Flake	335	100%	13.6	1.1/	
Production	7 7/8	3,500'	Econocem-1# granulite+.25# polyflake	758	25%	11.0	3.10	
Lead	7 7/8 3,300		Econoccin-1# grantme 1.25# polynake	245	2370	11.0	3.10	
Production	7 7/8	5,000'	Econocem95%bw HR-5+.125#	2114	25%	13.0	2.10	
Tail	7 7/8	3,000	polyflake	1007	2370	13.0	2.10	

The surface casing will be cemented to surface. In the event that cement does not reach surface during the primary cement job, a remedial job will be performed.

Actual cement volumes for the production casing string will be calculated from an open hole caliper log, plus 25% excess.

#### 6. Type and Characteristics of Proposed Circulating Medium

#### **Interval** Description

Surface - 1,000' An air and/or fresh water system will be utilized.

1,000' - TD A water based mud system will be utilized. Hole stability may be improved

with additions of KCl or a similar inhibitive substance. In order to control formation pressure the system will be weighted with additions of bentonite,

and if conditions warrant, with barite.

Anticipated maximum mud weight is 9.2 ppg.

#### 7. Logging, Coring, and Testing

Logging: A dual induction, gamma ray, and caliper log will be run from TD to the base of the surface casing. A compensated neutron/formation density log will be run from TD to the top of the Garden Gulch formation. A cement bond log will be run from PBTD to the cement top behind the production casing.

RECEIVED: August 28, 2014

Cores: As deemed necessary.

DST: There are no DST's planned for this well.

#### 8. Anticipated Abnormal Pressure or Temperature

Maximum anticipated bottomhole pressure will be approximately equal to total depth (feet) multiplied by 0.47 psi/ft gradient.

$$8,500' \times 0.47 \text{ psi/ft} = 3978 \text{ psi}$$

No abnormal temperature is expected. No H<sub>2</sub>S is expected.

#### 9. Other Aspects

This is planned as a vertical we

Based on prior drilling experience in the area, Finley Resources is confident that the 5 1/2" 15.5# production is more than sufficient to avoid any possible mechanical integrity problems relating to collapse or burst conditions.

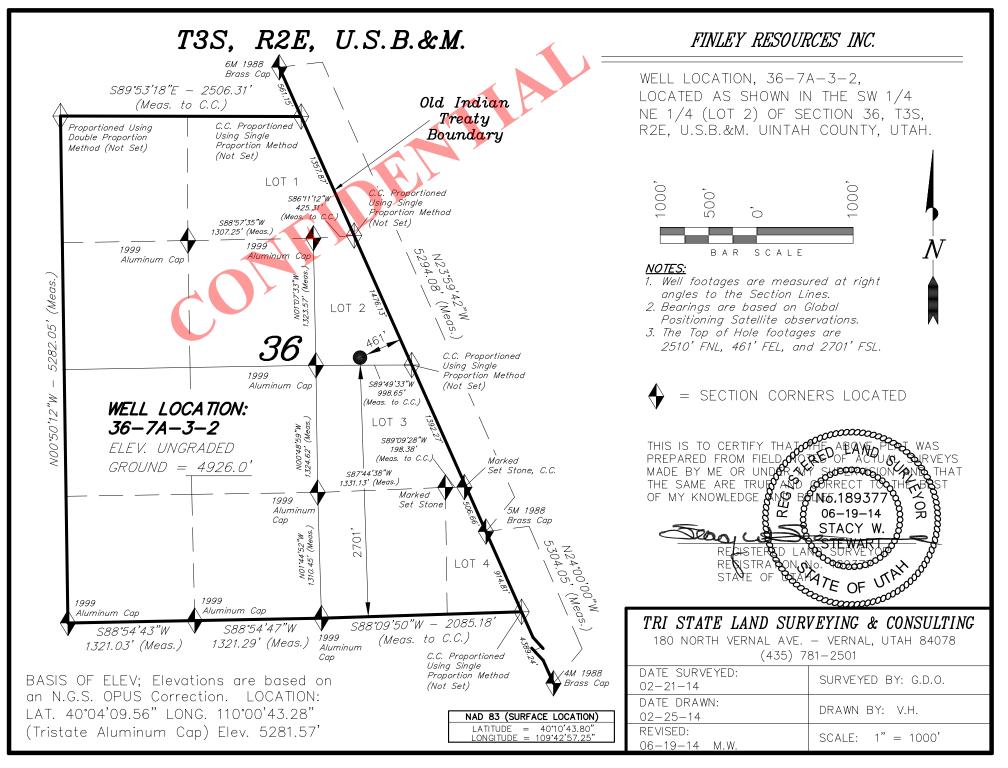
Variance Request for FIT Requirements:

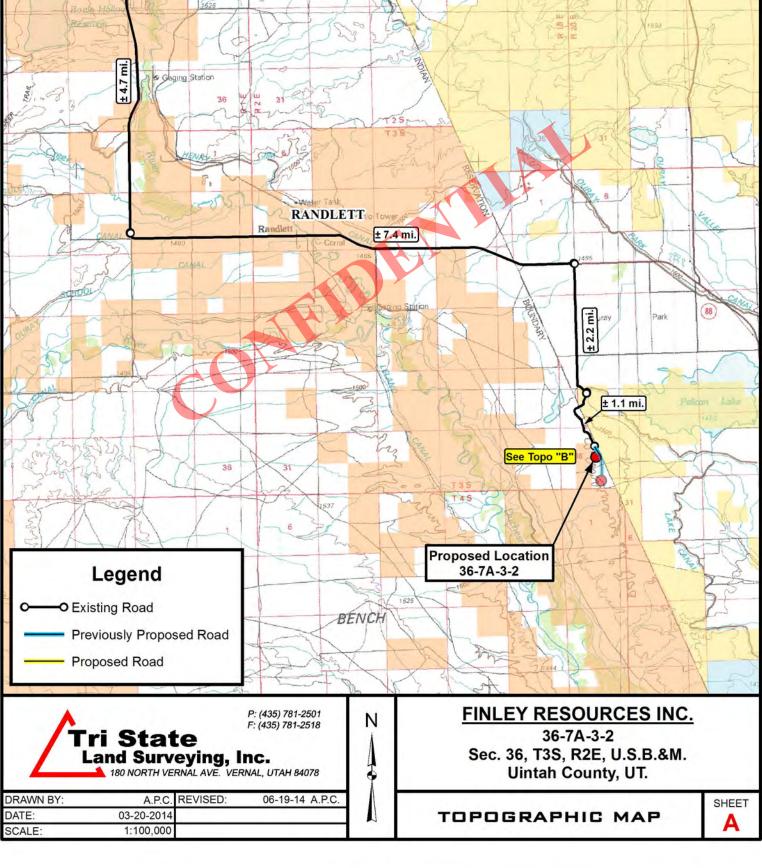
Finley Resources, Inc. respectfully requests a variance to Onshore Order 2, Section III, Part Bi, for the Pressure integrity test (PIT, also known as a formation integrity test (FIT)). This well is not an exploratory well and is being drilled in an area where the formation integrity is well known. Additionally, when an FIT is run with the mud weight as required, the casing shoe frequently breaks down and causes subsequent lost circulation when drilling the entire depth of the well.

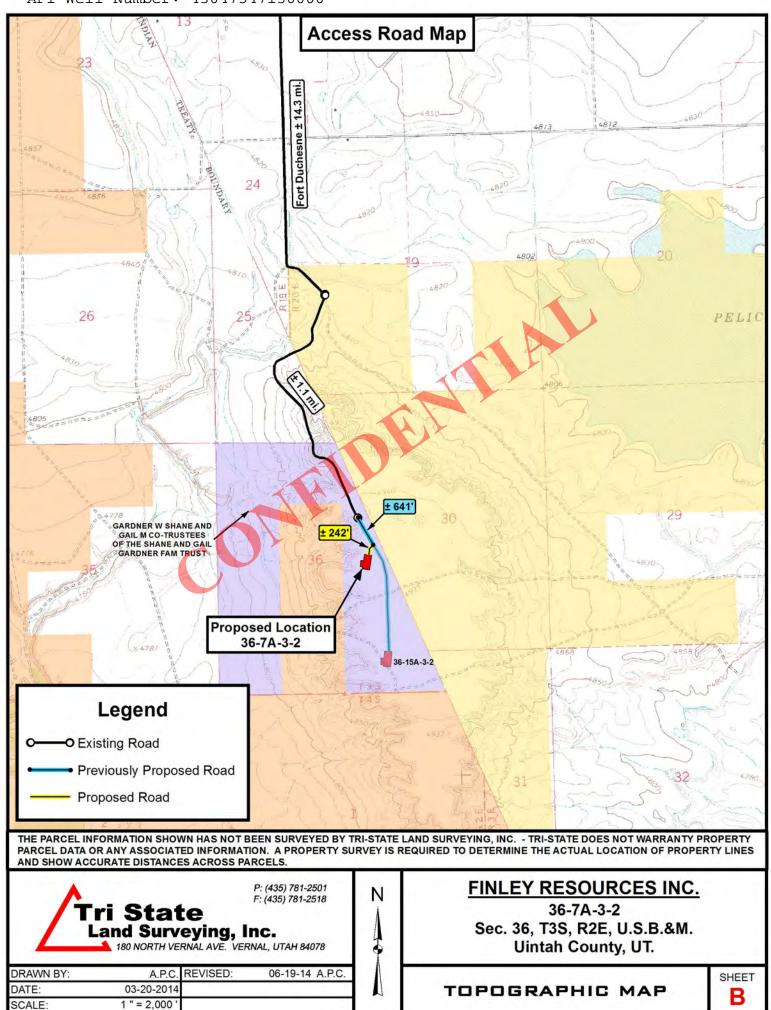
Variance Request for Air Drilling Requirements:

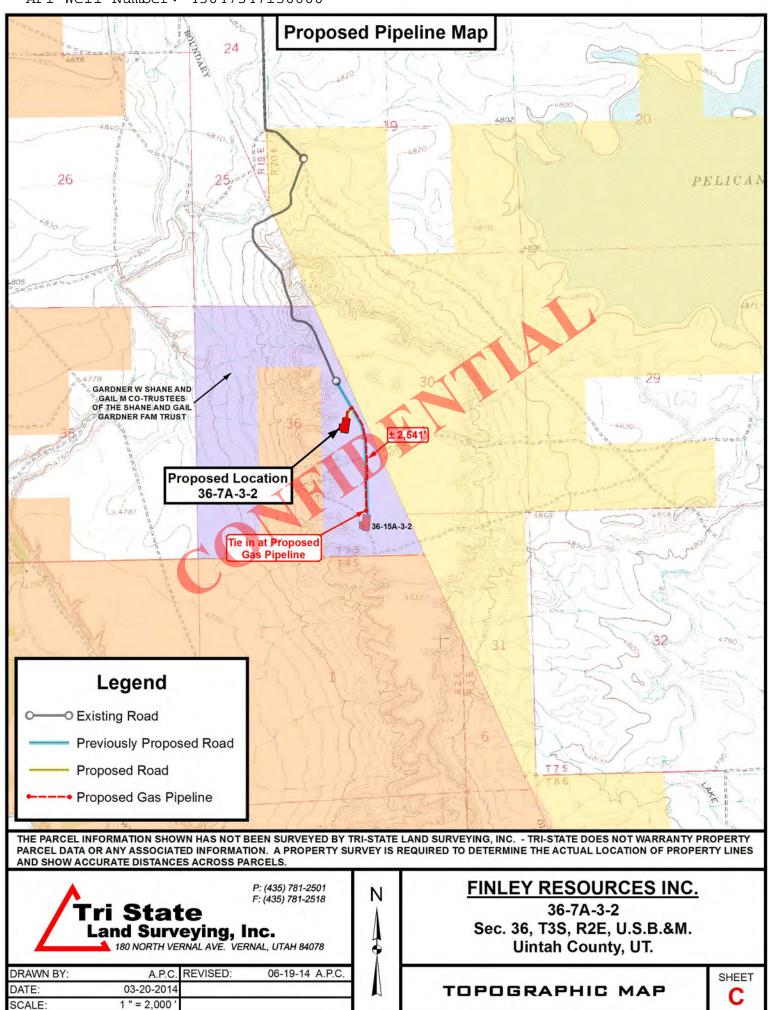
Finley Resources, Inc. respectfully requests a variance to Onshore Order #2, III.E.1

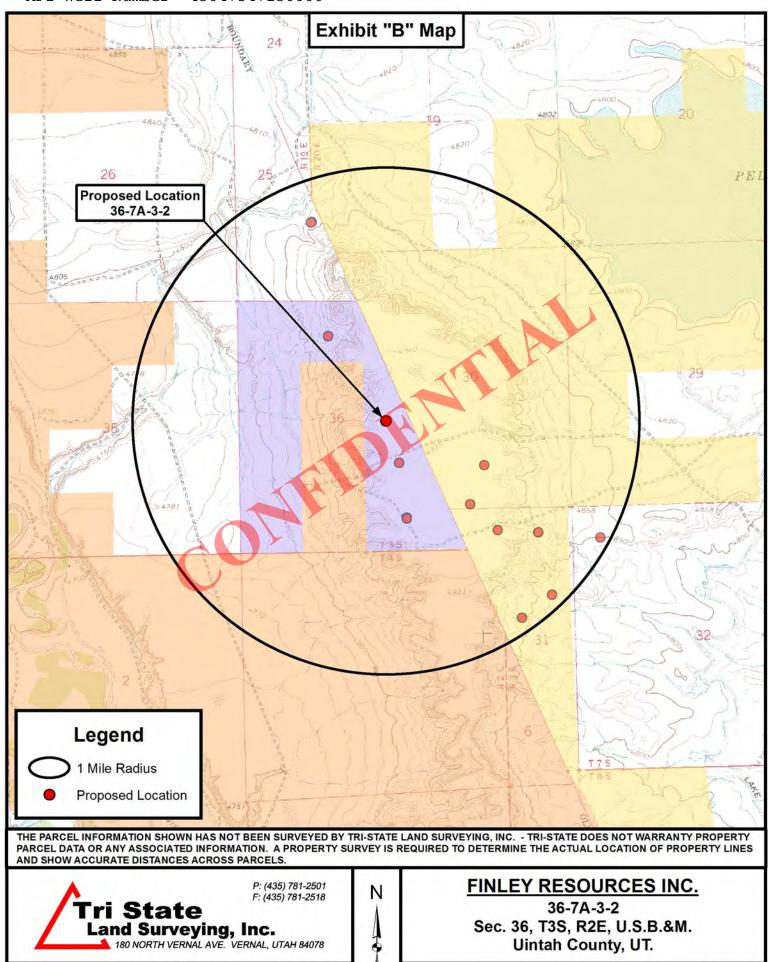
- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore. Variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the wellbore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.
- Air drilling operations will be conducted only during drilling of the surface casing
  hole, there is no history of hydrocarbons being encountered in this hole section in
  the area where these wells are to be drilled.

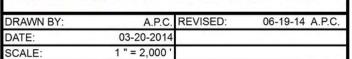












TOPOGRAPHIC MAP



# AFFIDAVIT OF EASEMENT, RIGHT-OF-WAY AND SURFACE USE AGREEMENT

State: Utah County: Uintah

Affiant: Scott Ramsey, Land Manager, Finley Resources Inc.

Pursuant to the State of Utah R649-3-34.7, I <u>Scott Ramsey</u> personally attests and duly swears and deposes the following information:

My name is Scott Ramsey. I am the Land Manager of Finley Resources Inc., authorized to do business in the State of Utah, whose address is 1308 Lake Street, Fort Worth, Texas 76102, hereinafter referred to as ("Finley"). Finley owns, operates and manages oil and gas properties in Uintah County, Utah. Finley is the owner of certain oil and gas leasehold in the Section 25 & 36, Township 3 South Range 2 East, USM where a future drillsite location, right-of-way, easement will be located.

Finley and the Surface Owner, The Shane and Gail Gardner Family Trust, dated November 1, 1996 have entered into that certain Easement, Right-of-Way and Surface Use Agreement, dated effective June 10, 2014 covering the following lands owned by Owner in Uintah County, Utah, to wit:

Township 3 South, Range 2 East, USM

Section 25: Lots 3 & 4

Section 36: Lots 1, 2, 3, 4 & SW/4SE/4

Furthermore, this shall serve as sufficient notice of Finley's agreement to access the aforementioned lands for the future development of the oil and gas leasehold.

Scott Ramsey, Land Manager Finley Resources Inc.

ACKNOWLEDGEMENT

STATE OF TEXAS

8

COUNTY OF TARRANT

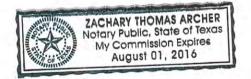
Before me the undersigned, a Notary Public, in and for said County and State, on this 11<sup>th</sup> day of June, 2014, personally appeared Scott Ramsey, as Land Manager, of Finley Resources Inc., to me known to be the identical person who subscribed the name of the maker therefore to the foregoing instrument, and acknowledged to me that he executed the same as his own free and voluntary act and deed for the uses and purposes therein set forth.

NOTARY PUBLIC

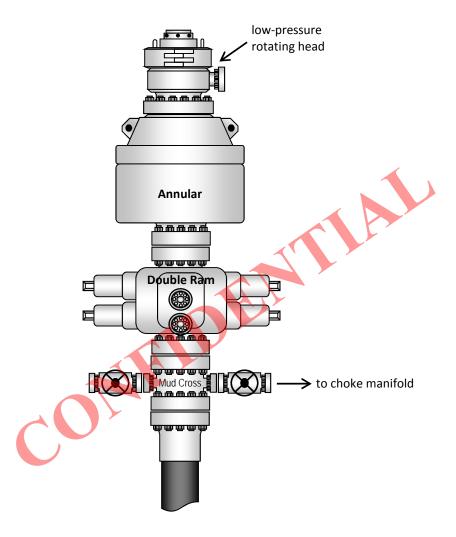
My Commission Expires:

8.1.2016

[SEAL]



**Typical 3M BOP stack configuration** 





October 30, 2014

Department of Natural Resources Division of Oil, Gas and Mining Attn: Brad Hill P.O. Box 145801 Salt Lake City, Utah 84114

Re: Certification of Ownership for Permit to Drill

Board Docket Number 2014-024 Cause Number 270-03

Gardner 36-7A-3-2 & Gardner 36-15B Section 36, Township 3 South Range 2 East

Uintah County, Utah

Dear Mr. Hill,

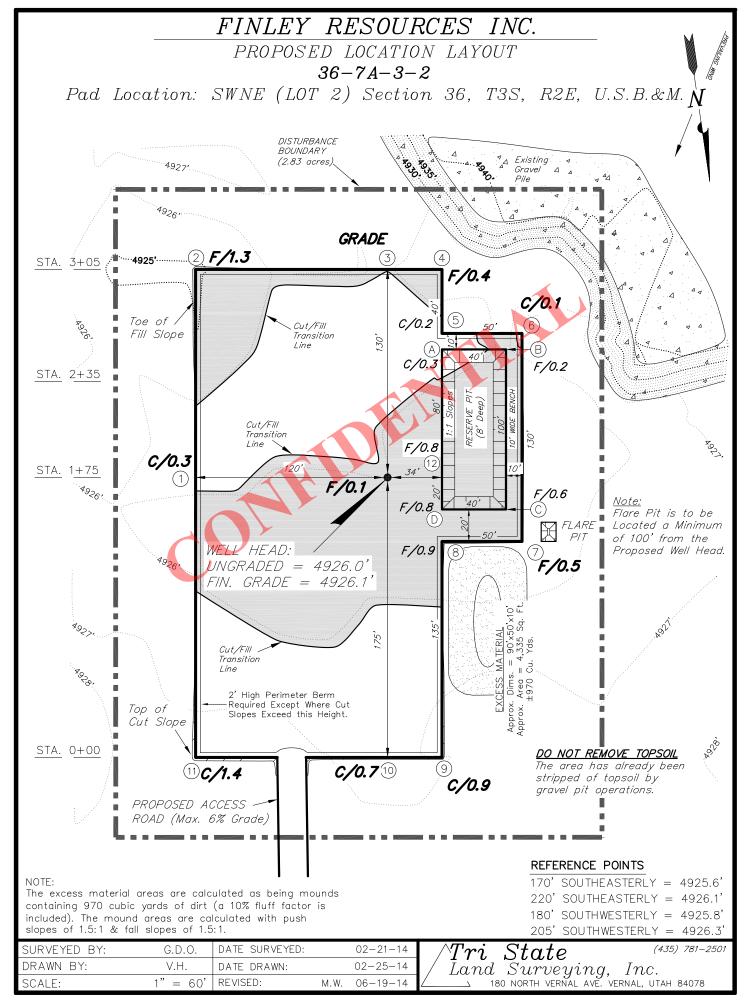
Finley Resources Inc. ("Finley") respectfully requests the approval of the application for permit to drill ("APD") the Gardner 36-7A-3-2 and Gardner 36-15B-3-2. The surface and bottom hole locations are legal locations pursuant to Board Docket Number 2014-024 Cause Number 270-03, whereby no well may be located closer than 460 feet to the shared drilling unit/lease boundary and no closer than 100 feet if the adjacent lands are within the same lease and have the same production interest owners, without an exception location approval in accordance with Utah Administration Code Rule R649-3-3.

As specified in the order, it was requested that Finley include with the APD, written certification to the Division of Oil, Gas and Mining when the 100-foot setback authorization was applicable. Finley hereby certifies that all production interest owners in the Gardner 36-7A-3-2, Gardner 36-15B-3-2 and all lands located within 100 feet and 460 feet are the same production interest owners.

Should you have any questions regarding this matter please contact me at the number provided below.

Sincerely

Zachary Archer Landman (817)-231-8759



## API Well Number: 43047547130000 FINLEY RESOURCES INC. CROSS SECTIONS 36-7A-3-2Pad Location: SWNE (LOT 2) Section 36, T3S, R2E, U.S.B.&M. 30, $\parallel$ STA. 3+05 1" = 60'30, Ш <u>,</u> STA. 2+35 1" = 60'EXISTING FINISHED GRADE GRADE 30, Ш WELL HEAD 1" = 60'STA. 1+75 30, П 1" = 60' STA. 0+00 ESTIMATED FARTHWORK OLIANTITIES DO NOT REMOVE TOPSOIL The area has already been stripped of topsoil by

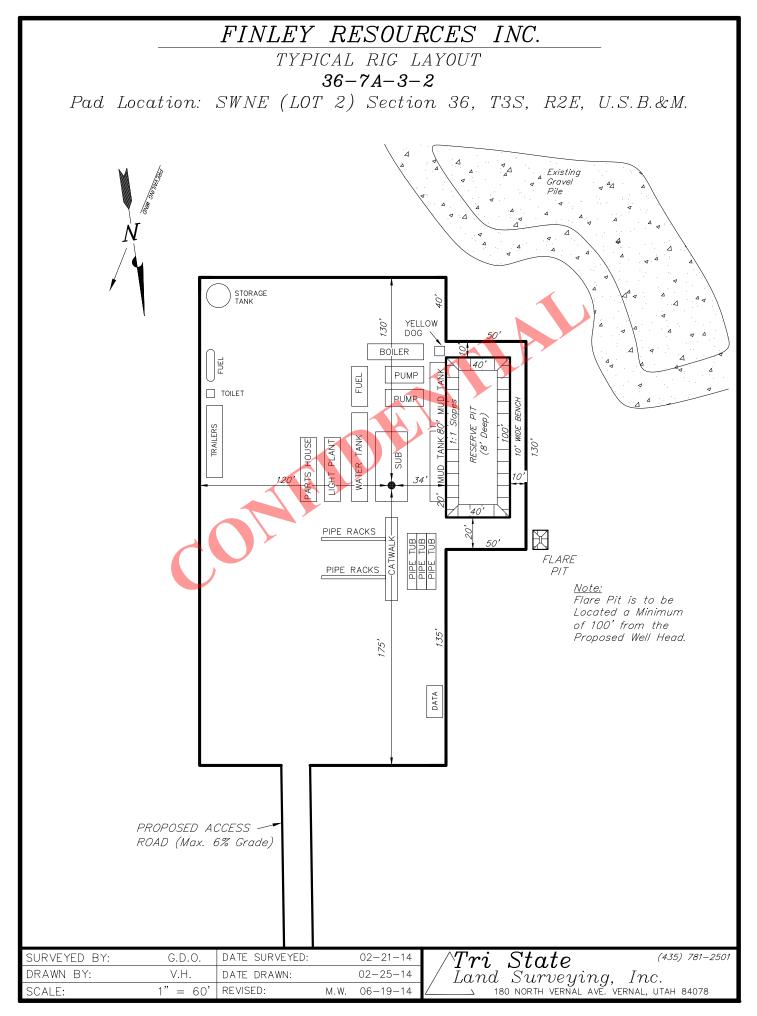
NOTE:
UNLESS OTHERWISE
NOTED ALL CUT/FILL
SLOPES ARE AT 1.5:

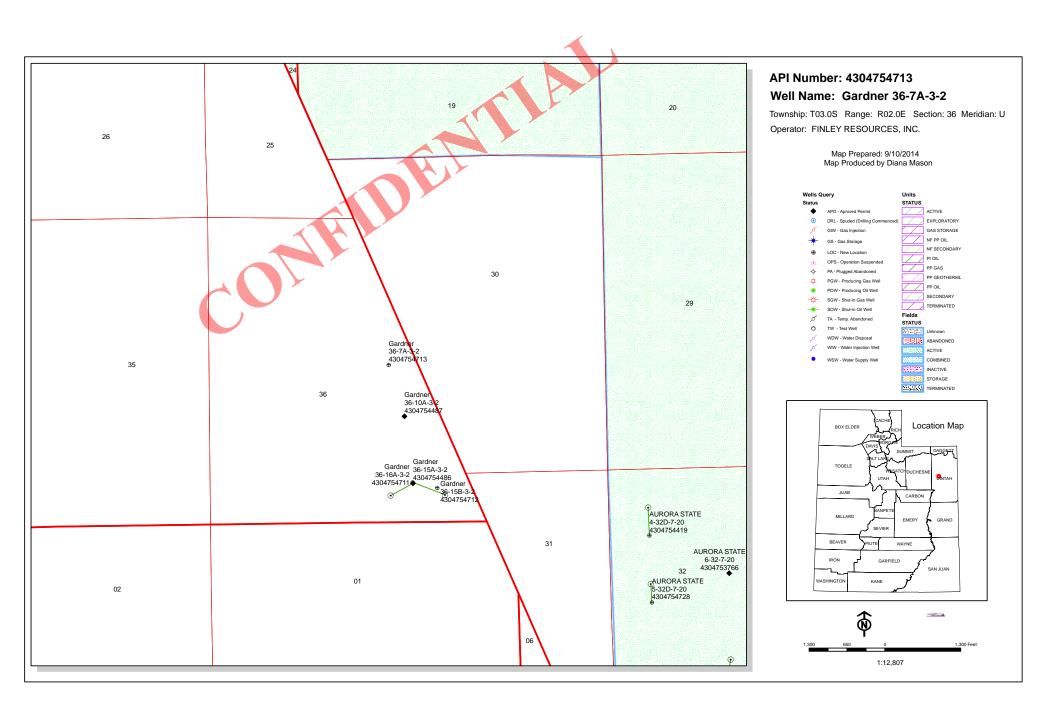
gravel pit operations.

	(No Shrink or swell adjustments have been used)  (Expressed in Cubic Yards)											
ITEM CUT FILL 6" TOPSOIL EXCESS												
PAD	340	340	Topsoil is not included in Pad	0								
PIT	880											
TOTALS	1,220	340	0	880								

SURVEYED BY:	G.D.O.	DATE SURVEYED:		02-21-14
DRAWN BY:	V.H.	DATE DRAWN:		02-25-14
SCALE:	1" = 60'	REVISED:	M.W.	06-19-14

 $State \ d \ Surveying, \ Inc.$  180 north vernal ave. vernal, utah 84078 Tri(435) 781-2501 Land

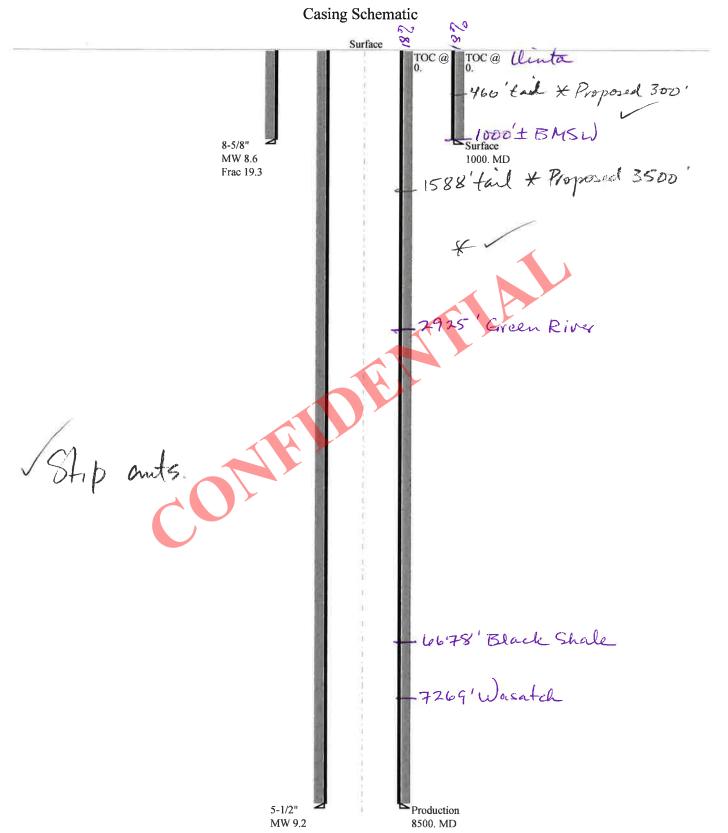




#### BOPE REVIEW FINLEY RESOURCES INC Gardner 36-7A-3-2 43047547130000

Well Name		FINLEY RESOU	RCES INC Gardne	er 36-7A-3-2 430	4754	7130000	]	
String		Cond	Surf	Prod			ī	
Casing Size(")		13.375	8.625	5.500			ī	
Setting Depth (TVD)		60	1000	8500			Ī	
Previous Shoe Setting Dept	h (TVD)	0	60	1000			ī	
Max Mud Weight (ppg)		8.3	8.6	9.2			ī	
BOPE Proposed (psi)		0	500	3000				
Casing Internal Yield (psi)		1000	2950	7740				
Operators Max Anticipated	Pressure (psi)	3978		9.0			<u>i</u>	
Calculations		Cond Str	ing			13.375	"	
Max BHP (psi)		.0	52*Setting D	Depth*MW=	26	3		
					Ė		BOPE Ade	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)		Max BH	P-(0.12*Setti	ing Depth)=	19		NO	
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ing Depth)=	13	В	NO	
							*Can Full	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe		etting Depth	- Previous Sh	noe Depth)=	13	3	NO	
Required Casing/BOPE Tes					60		psi	
*Max Pressure Allowed @	Previous Casing	Shoe=			0		psi *Ass	sumes 1psi/ft frac gradient
Calculations		Surf Stri	ng			8,625	"	
Max BHP (psi)		.0	52*Setting D	Depth*MW=	44	1		
							BOPE Ade	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)			P-(0.12*Setti		32	27	YES	diverter
MASP (Gas/Mud) (psi)		Max BH	P-(0.22*Setti	ing Depth)=	22	27	YES	ок
Durana A4 Durantana Char	M DHD 22*/C	with David	Durania ara Cil	Donath)	H			Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe Required Casing/BOPE Te		etting Depth	- Previous Sn	ioe Deptn)=	24		NO :	ОК
*Max Pressure Allowed @		Shoo-			H	000	psi *Ass	sumes 1psi/ft frac gradient
· Max Flessure Anowed @	r revious Casing	Shoe-			60		psi Ass	umes 1psi/it frac grautent
Calculations		Prod Str	ing			5.500	"	
Max BHP (psi)		.0	52*Setting D	Depth*MW=	40	066		
			- 10 1-10 1		L		BOPE Ade	quate For Drilling And Setting Casing at Depth?
MASP (Gas) (psi)			P-(0.12*Setti	-	30	046	NO	3M BOP, two ram preventers, annular preventer, choke
MASP (Gas/Mud) (psi)		Мах ВН	P-(0.22*Setti	ing Depth)=	21	96	*Con Full	manifold  Every cottod Programs Po Hold At Provious Shoo?
Pressure At Previous Shoe	Max BHP22*(S	etting Depth	- Previous Sh	noe Denth)=		116		Expected Pressure Be Held At Previous Shoe?
Required Casing/BOPE Tes		8			H	000	psi	UK
*Max Pressure Allowed @		Shoe=			H			sumes 1psi/ft frac gradient
Max I i i ssuit Anowed & I i e i i u i u i u i u i u i u i u i u i					11.0	,000	1	
Calculations		String			L		"	
Max BHP (psi)		.0	052*Setting D	Depth*MW=	L		DODE 4.1	guete For Duilling 4-3 S-442 C
MASP (Gas) (psi)		May RH	P-(0.12*Setti	ing Denth)-	F			quate For Drilling And Setting Casing at Depth?
MASP (Gas/Mud) (psi)			P-(0.22*Setti	-	H		NO NO	
(Gas/Muu) (psi)		мах вп	. (0.22 5011	<sub>5</sub> Бериі) –	<u> -</u>		*Can Full	Expected Pressure Be Held At Previous Shoe?
Pressure At Previous Shoe	Max BHP22*(S	etting Depth	- Previous Sh	noe Depth)=	F		NO I	
Required Casing/BOPE Tes	st Pressure=			-	Ë		psi	,
*Max Pressure Allowed @	Previous Casing	Shoe=			Ë		psi *Ass	sumes 1psi/ft frac gradient

## 43047547130000 Gardner 36-7A-3-2



Well name: 43047547130000 Gardner 36-7A-3-2

Operator: FINLEY RESOURCES INC.

String type: Surface Project ID:

**UINTAH COUNTY** Location:

43-047-54713

Design parameters:

**Collapse** Mud weight: 8.600 ppg Design is based on evacuated pipe.

Minimum design factors: **Environment:** Collapse:

Design factor 1.125

H2S considered? Surface temperature: Bottom hole temperature:

No 74 °F 88 °F

Temperature gradient:

1.40 °F/100ft

Minimum section length:

100 ft

**Burst:** 

Design factor 1.00 Cement top:

Surface

**Burst** 

Max anticipated surface

No backup mud specified.

pressure: 880 psi Internal gradient: 0.120 psi/ft Calculated BHP

1,000 psi

Tension:

8 Round STC: 1.80 (J) 1.70 (J) 8 Round LTC: Buttress: 1.60 (J) 1.50 (J)

Premium: Body yield:

1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 871 ft Re subsequent strings:

Next setting depth: 8,500 ft Next mud weight: 9.200 ppg Next setting BHP: 4,062 psi Fracture mud wt: 19.250 ppg Fracture depth: 1,000 ft Injection pressure: 1,000 psi

Run Segment Nominal End True Vert Measured Drift Est. Length Seq Size Weight Grade **Finish** Depth Depth Diameter Cost (ft) (in) (lbs/ft) (ft) (ft) (in) (\$) 1 1000 8.625 24.00 J-55 ST&C 1000 1000 7.972 5146 Run Collapse Collapse Collapse **Burst** Burst **Burst** Tension **Tension Tension** Seq Load Strength Design Load Strength Design Load Strength Design (psi) (psi) **Factor** (psi) (psi) **Factor** (kips) (kips) **Factor** 1 447 1370 3.067 1000 2950 2.95 20.9 11.68 J 244

Prepared

Helen Sadik-Macdonald Div of Oil, Gas & Mining

Phone: 801 538-5357 FAX: 801-359-3940

Date: October 20,2014 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1000 ft, a mud weight of 8.6 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

43047547130000 Gardner 36-7A-3-2 Well name:

Operator: FINLEY RESOURCES INC.

String type: Production Project ID: 43-047-54713

**UINTAH COUNTY** Location:

Design parameters: Minimum design factors: **Environment:** 

**Collapse** Collapse: H2S considered? No Mud weight: 9.200 ppg Design factor 1.125 Surface temperature: 74 °F Design is based on evacuated pipe. 193 °F

Bottom hole temperature: Temperature gradient: 1.40 °F/100ft

Minimum section length: 1,000 ft

1.80 (J)

Non-directional string.

**Burst:** 

Design factor 1.00 Cement top: Surface **Burst** 

Max anticipated surface

pressure: 2,192 psi Internal gradient: 0.220 psi/ft

Tension: Calculated BHP 4.062 psi 8 Round STC:

8 Round LTC: 1.80 (J) No backup mud specified. **Buttress:** 1.60 (J) Premium: 1.50 (J)

Body yield: 1.60 (B)

Tension is based on buoyed weight. Neutral point: 7,314 ft

Run Segment Nominal End True Vert Measured Drift Est. Seq Length Size Weight Grade **Finish** Depth Depth Diameter Cost (ft) (in) (lbs/ft) (ft) (ft) (in) (\$) 1 8500 5.5 17.00 N-80 LT&C 8500 8500 4.767 47909 Collapse Run Collapse Collapse Burst Burst **Burst Tension** Tension **Tension** Strength Seq Load Design Load Strength Design Load Strength Design (psi) (psi) Factor (psi) (psi) **Factor** (kips) (kips) **Factor** 1 4062 6290 1.548 4062 7740 1.91 124.3 2.80 J 348

Prepared Helen Sadik-Macdonald Div of Oil, Gas & Mining

Phone: 801 538-5357 FAX: 801-359-3940

Date: October 20,2014 Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8500 ft, a mud weight of 9.2 ppg The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

## **ON-SITE PREDRILL EVALUATION**

## Utah Division of Oil, Gas and Mining

**Operator** FINLEY RESOURCES, INC.

Well Name Gardner 36-7A-3-2

43047547130000 **API Number** APD No 10226 Field/Unit **UNDESIGNATED** 

Location: **SWNE** 

Sec 36 Tw 3.0S Rng 2.0E 2701 FSL 461 FEL 1/4,1/4

**GPS** Coord 609325 4448397 Surface Owner Shane and Gail Gardner Family Trust (UTM)

#### **Participants**

; J. Burns - StarPoint ; J. Simonton - Finley Resources ; D. Slaugh - Tristate; Wes Gardner landowner

#### Regional/Local Setting & Topography

This location is just about a mile West of the Pelican Lake in Uintah County. It is on a bench that serves as a productive gravel pit for Tri County Concrete. The Duchesne River is found about 2 miles West. This particular piece has been left fallow for some time. Most of the surrounding lands are sprinkled and in production. The area has seen recent development for petroleum extraction and operator expects more in the immediate vicinity.

#### Surface Use Plan

**Current Surface Use** 

Mining

New Road **Src Const Material Surface Formation** Well Pad Miles

0 Width 300 Length 200 **UNTA** Onsite

Ancillary Facilities N

Waste Management Plan Adequate? Y

#### **Environmental Parameters**

Affected Floodplains and/or Wetlands N

#### Flora / Fauna

High desert shrubland ecosystem. Expected vegetation consists of sagebrush, globemallow, evening primrose, Atriplex spp., mustard spp, rabbit brush, horsebrush, broom snakeweed, Opuntia spp and spring annuals.

Dominant vegetation;

NONE. This is disturbed land

Wildlife;

Adjacent habitat contains forbs that may be suitable browse for deer, antelope, prairie dogs or rabbits, though none were observed. Disturbed soils onsite do not support habitat for wildlife. DWR did not respond with comment / issues

#### Soil Type and Characteristics

disturbed gravel and unconsolidated sediments

RECEIVED: November 06, 2014

**Erosion Issues** N

Sedimentation Issues N

Site Stability Issues N

Drainage Diverson Required? N

Berm Required? N

Erosion Sedimentation Control Required? N

Paleo Survey Run? N Paleo Potental Observed? N Cultural Survey Run? N Cultural Resources? N

#### Reserve Pit

Site-Specific Factors	Site Ran	king	
Distance to Groundwater (feet)	75 to 100	10	
Distance to Surface Water (feet)	>1000	0	
Dist. Nearest Municipal Well (ft)	>5280	0	
Distance to Other Wells (feet)	>1320	0	
Native Soil Type	Mod permeability	10	
Fluid Type	Fresh Water	5	
Drill Cuttings	Normal Rock	0	
Annual Precipitation (inches)		0	
Affected Populations			
Presence Nearby Utility Conduits	Not Present	0	
	Final Score	25	1 Sensitivity Level

#### Characteristics / Requirements

Pit to be dug to a depth of 8'. Pit should be fenced to prevent entry by deer, other wildlife and domestic animals. Pit to be closed within one year after drilling activities are complete

Closed Loop Mud Required? N  $\,$  Liner Required? Y  $\,$  Liner Thickness 16  $\,$  Pit Underlayment Required? N  $\,$ 

#### Other Observations / Comments

Chris Jensen	9/10/2014 <b>Date / Time</b>
Evaluator	Date / 11me

# Application for Permit to Drill Statement of Basis

## Utah Division of Oil, Gas and Mining

APD No	API WellNo	Status	Well Type	Surf Owner	CBM
10226	43047547130000	LOCKED	OW	P	No
Operator	FINLEY RESOURCES, IN	IC.	Surface Owner-APD	Shane and Gail Family Trust	Gardner
Well Name	Gardner 36-7A-3-2		Unit		
Field	UNDESIGNATED		Type of Work	DRILL	
Location	SWNE 36 3S 2E (UTM) 609326E 44	U 2701 FS 48398N	L 461 FEL G	PS Coord	

#### **Geologic Statement of Basis**

Finley proposes to set 60' of conductor and 1,000' of surface casing at this location. The base of the moderately saline water at this location is estimated to be at a depth of 1,000'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. The proposed casing and cement programs should adequately protect ground water in this area.

Brad Hill
APD Evaluator

Brad Hill

9/23/2014

Date / Time

#### Surface Statement of Basis

Location is proposed in a good location within the spacing window. Access road enters the pad from the North. The landowner or its representative was in attendance for the pre-site inspection.

The soil type and topography at present do not combine to pose a significant threat to erosion or sediment/pollution transport in these regional climate conditions.

Usual construction standards of the Operator appear to be adequate for the proposed purpose as submitted.

I recognize no special flora or animal species or cultural resources on site that the proposed action may harm. The location was not previously surveyed for cultural and paleontological resources (as the operator saw fit). I have advised the operator take all measures necessary to comply with ESA and MBTA and that actions insure no disturbance to species that may have not been seen during onsite visit.

The location is not required to be bermed as location is in a pit. Fencing around the reserve pit will be necessary to prevent wildlife and livestock from entering. A synthetic liner of 16 mils (minimum) should be utilized in the reserve pit.

Chris Jensen 9/10/2014
Onsite Evaluator Date / Time

#### Conditions of Approval / Application for Permit to Drill

Category Condition

Pits A synthetic liner with a minimum thickness of 16 mils shall be properly installed and maintained in

the reserve pit.

Surface The reserve pit shall be fenced upon completion of drilling operations.

RECEIVED: November 06, 2014

## **WORKSHEET** APPLICATION FOR PERMIT TO DRILL

**APD RECEIVED:** 8/28/2014 API NO. ASSIGNED: 43047547130000

WELL NAME: Gardner 36-7A-3-2

**OPERATOR:** FINLEY RESOURCES INC (N3460) PHONE NUMBER: 435 650-3866

**CONTACT:** Don Hamilton

PROPOSED LOCATION: SWNE 36 030S 020E Permit Tech Review:

> **SURFACE: 2701 FSL 0461 FEL Engineering Review:**

> Geology Review: BOTTOM: 2701 FSL 0461 FEL

**COUNTY: UINTAH LATITUDE: 40.18074** LONGITUDE: -109.71589

**UTM SURF EASTINGS: 609326.00** NORTHINGS: 4448398.00

FIELD NAME: UNDESIGNATED

LEASE TYPE: 4 - Fee

**LEASE NUMBER:** Patented PROPOSED PRODUCING FORMATION(S): GREEN RIVER(LWR)-WASATCH

SURFACE OWNER: 4 - Fee **COALBED METHANE: NO** 

Unit:

#### **RECEIVED AND/OR REVIEWED:**

Oil Shale 190-5

Bond: STATE - RLB0011264

LOCATION AND SITING:

✓ PLAT R649-2-3.

**Potash** R649-3-2. General

Oil Shale 190-3 R649-3-3. Exception

**Drilling Unit** Oil Shale 190-13

Board Cause No: Cause: 270-03 Water Permit: 43-11500

Effective Date: 8/27/2014 **RDCC Review:** 

Siting: 460' Fr Shared Drl Unit/Lease Bdry **Fee Surface Agreement** 

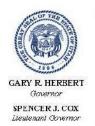
Intent to Commingle R649-3-11. Directional Drill

Presite Completed Comments: IRR SEC:

**Commingling Approved** 

Stipulations:

5 - Statement of Basis - bhill 12 - Cement Volume (3) - hmacdonald 25 - Surface Casing - hmacdonald



## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

## Permit To Drill

\*\*\*\*\*\*

Well Name: Gardner 36-7A-3-2 API Well Number: 43047547130000

Lease Number: Patented

Surface Owner: FEE (PRIVATE)
Approval Date: 11/6/2014

#### Issued to:

FINLEY RESOURCES INC, PO Box 2200, Fort Worth, TX 76113

#### **Authority:**

Pursuant to Utah Code Ann. 40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause: 270-03. The expected producing formation or pool is the GREEN RIVER(LWR)-WASATCH Formation(s), completion into any other zones will require filing a Sundry Notice (Form 9). Completion and commingling of more than one pool will require approval in accordance with R649-3-22.

#### **Duration:**

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

#### General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

### **Conditions of Approval:**

Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis (copy attached).

Cement volume for the 5 1/2" production string shall be determined from actual hole diameter in order to place lead cement from the pipe setting depth back to surface and tail cement to top of Green River as indicated in the submitted drilling plan.

Surface casing shall be cemented to the surface.

#### **Additional Approvals:**

The operator is required to obtain approval from the Division of Oil, Gas and mining before performing any of the following actions during the drilling of this well:

• Any changes to the approved drilling plan - contact Dustin Doucet

- Significant plug back of the well contact Dustin Doucet
- Plug and abandonment of the well contact Dustin Doucet

#### **Notification Requirements:**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

• Within 24 hours following the spudding of the well - contact Carol Daniels OR

submit an electronic sundry notice (pre-registration required) via the Utah Oil & Gas website

at http://oilgas.ogm.utah.gov

- 24 hours prior to testing blowout prevention equipment contact Dan Jarvis
- 24 hours prior to cementing or testing casing contact Dan Jarvis
- Within 24 hours of making any emergency changes to the approved drilling program
  - contact Dustin Doucet
- 24 hours prior to commencing operations to plug and abandon the well contact Dan Jarvis

#### **Contact Information:**

The following are Division of Oil, Gas and Mining contacts and their telephone numbers (please leave a voicemail message if the person is not available to take the call):

• Carol Daniels 801-538-5284 - office

• Dustin Doucet 801-538-5281 - office

801-733-0983 - after office hours

• Dan Jarvis 801-538-5338 - office

801-231-8956 - after office hours

#### Reporting Requirements:

All reports, forms and submittals as required by the Utah Oil and Gas Conservation General Rules will be promptly filed with the Division of Oil, Gas and Mining, including but not limited to:

- Entity Action Form (Form 6) due within 5 days of spudding the well
- Monthly Status Report (Form 9) due by 5th day of the following calendar month
  - Requests to Change Plans (Form 9) due prior to implementation
  - Written Notice of Emergency Changes (Form 9) due within 5 days
- Notice of Operations Suspension or Resumption (Form 9) due prior to implementation
  - Report of Water Encountered (Form 7) due within 30 days after completion
- Well Completion Report (Form 8) due within 30 days after completion or plugging

Anneavad Dw.

Approved by:

For John Rogers Associate Director, Oil & Gas

## FINLEY RESOURCES, INC. NOTIFICATION FORM—STATE, UTE TRIBE, BIA., BLM

OPERATOR: FINLEY RESOURCES, INC.

**CONTRACTOR NAME: Pro-Petro** 

SUBMITTED BY: JIM SIMONTON

PHONE #: 435-630-1023

WELL NAME/NUMBER: Gardner 36-7A-3-2

QTR/QTR: SWNE

SEC.: 36 T: 3S

R: 2 E

LEASE SN: FEE

API #: 43-047-54713

CONFIDE

LOCATION CONSTRUCTION START DATE: Est.9/20/14 (J Wright)

LOCATION CONSTRUCTION FINISH DATE: Est.9/26/14

CONDUCTOR SPUD NOTICE: DATE: 10/09/14

**TIME: 1:00PM** 

SURFACE SPUD NOTICE: DATE: 10/16/14

**TIME: 7:30AM** 

SURFACE CSG.CEMENT NOTICE: DATE: 10/17/14 TIME: noonPM

REMARKS: This is a FEE well/surface and minerals. Notification of surface hole spud and cement. Set 40' of 16" conductor and grout to surface. Hole firm. Spud 12-1/4" surface hole at 7:30AM with Pro-Petro on 10/16/14. Air mist hole to 1070'. Ran 23 jts.of new 8-5/8" 24# LT&C J-55 csg.with shoe at 1040'. Cement with 720 sxs.15.8 ppg cement and bump plug at 1:30PM on 10/17/14. Had est.20 bbl.of cement to surface and hole standing full. RDUFA.

Sundry Number: 61342 API Well Number: 43047547130000 STATE OF UTAH AMENDED REPORT ... FORM 8 **Reset Form** DEPARTMENT OF NATURAL RESOURCES (highlight changes) 5. LEASE DESIGNATION AND SERIAL NUMBER: DIVISION OF OIL, GAS AND MINING 6. IF INDIAN, ALLOTTEE OR TRIBE NAME WELL COMPLETION OR RECOMPLETION REPORT AND LOG 1a. TYPE OF WELL: 7. UNIT or CA AGREEMENT NAME OIL VELL DRY OTHER Gardner 8. WELL NAME and NUMBER: b. TYPE OF WORK: DEEP-FN DIFF. RESVR. NEW WELL RE-FNTRY Gardner 36-7A-3-2 OTHER 2. NAME OF OPERATOR: 9. API NUMBER: Finley Resources, Inc. 4304754713 3. ADDRESS OF OPERATOR: PHONE NUMBER: 10 FIELD AND POOL, OR WILDCAT 1308 Lake Street CITY Fort Worth STATE TX ZIP 76102 (817) 231-8735 Undesignated 4. LOCATION OF WELL (FOOTAGES) QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: AT SURFACE: 2701 FSL, 461 FEL SWNE 36 3 2E U AT TOP PRODUCING INTERVAL REPORTED BELOW: 2701 FSL, 461 FEL 12. COUNTY 13. STATE AT TOTAL DEPTH: 2701 FSL, 461 FEL UTAH Uintah 14. DATE SPUDDED: 15. DATE T.D. REACHED: 16. DATE COMPLETED: 17. ELEVATIONS (DF, RKB, RT, GL): ABANDONED READY TO PRODUCE 11/21/2104 11/28/2014 2/19/2015 4926 GL 19. PLUG BACK T.D.: MD 7,620 21. DEPTH BRIDGE 18. TOTAL DEPTH: MD 20. IF MULTIPLE COMPLETIONS, HOW MANY? \* MD 7,678 PLUG SET: TVD 7.678 TVD 7,620 TVD 22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) WAS WELL CORED? NO 🖊 YES (Submit analysis) Triple Combo NO 🗸 WAS DST RUN? YES (Submit report) DIRECTIONAL SURVEY? NO 🔽 YES (Submit copy) 24. CASING AND LINER RECORD (Report all strings set in well) STAGE CEMENTER CEMENT TYPE & SLURRY BOTTOM (MD) HOLE SIZE SIZE/GRADE WEIGHT (#/ft.) TOP (MD) CEMENT TOP \*\* AMOUNT PULLED DEPTH NO. OF SACKS VOLUME (BBL) 12 1/4 8 5/8 1,050 **J55** 32 15.8 ppg 720 surface 17 7 7/8 5 1/2 N80 7,668 975 300 25. TUBING RECORD SIZE DEPTH SET (MD) PACKER SET (MD) SIZE DEPTH SET (MD) PACKER SET (MD) SIZE DEPTH SET (MD) PACKER SET (MD) 2 7/8 7,366 26. PRODUCING INTERVALS 27. PERFORATION RECORD FORMATION NAME TOP (MD) BOTTOM (MD) TOP (TVD) BOTTOM (TVD) INTERVAL (Top/Bot - MD) SIZE NO. HOLES PERFORATION STATUS (A) GreenRiver/Wasa 5.646 7,511 Open Squeezed Open Squeezed Open Squeezed Open Squeezed 28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

29. FNCLOSED ATTACHMENTS: 30. WELL STATUS: DIRECTIONAL SURVEY ELECTRICAL/MECHANICAL LOGS GEOLOGIC REPORT DST REPORT P SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION CORE ANALYSIS OTHER:

7,702 bbl tot. fluid; 790,000# of 20/40 mesh sand

AMOUNT AND TYPE OF MATERIAL

(CONTINUED ON BACK)

(B)

(C)

(D)

DEPTH INTERVAL

5,646 - 7,511

Sundry Number: 61342 API Well Number: 43047547130000

#### 31. INITIAL PRODUCTION

#### INTERVAL A (As shown in item #26)

DATE FIRST PRO		TEST DATE:				TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:	
2/28/2015		3/3/2015		24		RATES	30	0	415	Pump	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION	OIL – BBL:	GAS - MCF:	WATER - BBL:	INTERVAL STATUS:	
64/64	400	175	38.00	0	0	RATES: →	30	0	415	Prod	
				INTE	ERVAL B (As show	wn in item #26)				_	
DATE FIRST PRO	ODUCED:	TEST DATE:		HOURS TESTED	r:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	
				INTE	ERVAL C (As show	vn in item #26)					
DATE FIRST PRO	ODUCED:	TEST DATE:		HOURS TESTED	r:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	
				INTE	ERVAL D (As show	wn in item #26)					
DATE FIRST PRO	ODUCED:	TEST DATE:		HOURS TESTED	ı:	TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:	
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:	

<sup>32.</sup> DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

#### 33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof: Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

34. FORMATION (Log) MARKERS:

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
Green River Douglas Creek Black Shale Uteland Butte Wasatch TD	2,959 6,220 6,707 7,159 7,293 7,678			Green River Douglas Creek Black Shale Uteland Butte Wasatch TD	2,959 6,220 6,707 7,159 7,293 7,678

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.		
NAME (PLEASE PRINT) _ James Terry	TITLE [	Field Operations Engineer
SIGNATURE JAMES TERRY	DATE _	3/4/2015

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

Utah Division of Oil, Gas and Mining 1594 West North Temple, Suite 1210

Box 145801

Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

(5/2000)

Send to:

RECEIVED: Mar. 04, 2015

<sup>\*</sup> ITEM 20: Show the number of completions if production is measured separately from two or more formations.

<sup>\*\*</sup> ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).